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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

5765

January 15, 2014

David L Penney  
Penney's Gemstones LLC  
P.O. Box 312  
Beaver, Utah 84713

Subject: Deficient Amended Notice of Intention to Commence Small Mining Operations, Penney's Gemstones LLC, White Tiger Mine, S/027/0093, Millard County, Utah

Dear Mr. Penney:

The Division recently received an amendment to the White Tiger Notice of Intention to Commence Small Mining Operations (Notice). The following items will need to be addressed and provided before the amendment can be approved:

1. Permit fees totaling \$300 need to be paid for 2013 and 2014.
2. Page 4 – Please show the amount of material (including mineral deposit, topsoil, subsoil, overburden, waste rock, or core hole material) to be extracted, moved, or proposed to be moved, relating to the mining operation. The Notice shows approximately how much material would be moved annually, but this rule indicates the Notice should show the total volume or tonnage through the life of the operation.
3. Page 3 - In section 5, report the ownership of the land surface and provide the address.
4. Page 4 - Modify your description to discuss the new area, and remove text discussing old areas, since no “existing Division-permitted mine site” or “existing site disturbance” exists under the Division’s current permit. Disturbance on unleased state land has reportedly been reclaimed, and the Division will inspect reclamation in the near future. The Division understands that the current Bureau of Land Management (BLM) disturbance is a community pit.
5. Page 5 - Remove the statement on page 5 that “The operations plan calls for continued utilization of the existing disturbed areas,” since disturbance on BLM land is understood to be a community pit, and since disturbance on state land was reported to be recently reclaimed.
6. Location Map - Provide a location map identifying the access roads from at least Black Rock.
7. Operation Map - Identify the following:
  - a. The planned disturbance area,
  - b. The location of planned cuts, roads, topsoil piles, stockpiles, waste, etc.,
  - c. The location of our existing cuts, roads, stockpiles, waste, topsoil, etc., and





- d. Any disturbance for which you are not responsible to the Division (such as a community pit disturbance), and the recently reclaimed area on state lands.

8. Reclamation Surety - See the table below.

Based on the description in the Notice, the Division understands that the proposed disturbance may be 5 acres. Subject to concurrence with the BLM, the Division proposes a reclamation surety of \$30,200 as shown in the table below. If you wish to disturb fewer acres, the reclamation surety may be reduced.

Disturbance <sup>1</sup> (acres)	Adjusted 3-yr Reclamation Surety Costs (2013)		
	First Acre <sup>2</sup> (3-yr)	Subsequent Cost/Acre	Total - 3 yr (thru 2016)
1	\$9,400	\$5,200	\$9,400
2	\$9,400	\$5,200	\$14,600
3	\$9,400	\$5,200	\$19,800
4	\$9,400	\$5,200	\$25,000
5	\$9,400	\$5,200	\$30,200
6	\$11,600	\$5,400	\$38,600
7	\$11,600	\$5,400	\$44,000
8	\$11,600	\$5,400	\$49,400
9	\$11,600	\$5,400	\$54,800
10	\$11,600	\$5,400	\$60,200

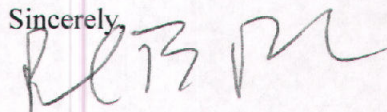
<sup>1</sup> Measured disturbance is rounded up to the next full acre.

<sup>2</sup> The cost for the 1<sup>st</sup> Acre includes equipment O&M and labor, plus mob/demob, third-party and indirect costs. The sixth acre includes additional mob/demob.

Please provide your response using replacement pages and Form MR-REV-SMO/EXP, available on the Division's web site. Contact Penny Berry at 801-538-5291 if you have any questions regarding forms of reclamation surety.

Please call Peter Brinton at 801-538-5258 or me at 801-538-5261 if you have any questions regarding this letter. In reply, please refer to file number S/027/0093. Thank you for your cooperation.

Sincerely,



Paul B. Baker  
Minerals Program Manager

PBB: pnb: eb  
cc: David Penney, operator (ep7art@mac.com)  
Duane Bays, BLM-Fillmore (dbays@blm.gov)  
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